

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE WESTERN DISTRICT OF NORTH CAROLINA

In re:)	
)	
SD-CHARLOTTE, LLC)	Case No. 20-30149
)	Chapter 11
Debtor.)	
)	
Tax ID No.: 7237)	

In re:)	
)	
RTHT INVESTMENTS, LLC	)	Case No. 20-30152
	)	Chapter 11
Debtor.)	
)	
Tax ID No.: 2540)	

In re:)	
)	
SD RESTAURANT GROUP, LLC	)	Case No. 20-10046
	)	Chapter 11
Debtor.)	
)	
Tax ID No.: 0331)	

In re:)	
)	
SD-MISSOURI, LLC	)	Case No. 20-30150
	)	Chapter 11
Debtor.)	
)	
Tax ID No.: 8294)	

In re:)	
)	
SOUTHERN DELI HOLDINGS, LLC	)	Case No. 20-30151
	)	Chapter 11
Debtor.)	
)	
Tax ID No.: 9425)	

**MOTION OF DEBTORS FOR
ENTRY OF ORDER DIRECTING JOINT ADMINISTRATION OF
RELATED CHAPTER 11 CASES PURSUANT TO FED. R. BANKR. P. 1015(b)**

Now comes SD-Charlotte, LLC and its debtor affiliates in the above-captioned chapter 11 cases, as debtors and debtors-in-possession (collectively, the “Debtors”), respectfully represent:

Background

1. On the date hereof (the “Petition Date”), each of the Debtors commenced with this Court a voluntary case under chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”). The Debtors are authorized to continue to operate their businesses and manage their properties as debtors-in-possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. No trustee, examiner, or statutory committee of creditors has been appointed in these chapter 11 cases (the “Chapter 11 Cases”).

2. Contemporaneously herewith, the Debtors have filed a motion requesting joint administration of these Chapter 11 Cases pursuant to Rule 1015(b) of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”).

3. Information regarding the Debtors’ businesses, capital structure, and the circumstances leading to the commencement of these Chapter 11 Cases is set forth in the *Declaration of Brian Rosenthal in Support of the Debtors’ Chapter 11 Petitions and Requests for First Day Relief* (the “First Day Declaration”),¹ which has been filed contemporaneously herewith and is incorporated by reference herein.

¹ Except where otherwise indicated, capitalized terms used but not defined in this Motion have the meanings ascribed to them in the First Day Declaration.

Jurisdiction

4. The Debtors bring their motion (the "Motion") pursuant to Rule 1015(b) of the Bankruptcy Rules.

5. The Court has jurisdiction over the Motion pursuant to 28 U.S.C. § 1334(b). The Motion is a core proceeding under 28 U.S.C. § 157(b)(2). Venue is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409.

6. No committee has been appointed in the Debtors' cases.

Relief Requested

7. By this Motion, pursuant to Rule 1015(b) of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), the Debtors request entry of an order directing joint administration of these Chapter 11 Cases for procedural purposes only. In addition, the Debtors respectfully request that the Court maintain one file and one docket for all of the jointly administered cases under the lead chapter 11 case of SD-Charlotte, LLC, and that these Chapter 11 Cases be jointly administered under the following consolidated caption:

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE WESTERN DISTRICT OF NORTH CAROLINA**

In re:)	
)	
SD-CHARLOTTE, LLC, <i>et al.</i>,¹	)	Case No. 20-30149
	)	Chapter 11 (Jointly Administered)
Debtors.)	
)	
)	

8. The Debtors further request the Court's direction that a notation substantially similar to the following language be entered on the docket of each of these Chapter

¹ The Debtors, together with the last four digits of each Debtor's federal tax identification number, are: SD-Charlotte, LLC (7237); RTHT Investments, LLC (2540); SD Restaurant Group, LLC (0331); SD-Missouri, LLC (8294); and Southern Deli Holdings, LLC (9425).

11 Cases (except the chapter 11 case of SD-Charlotte, LLC) maintained by the Clerk of the Court to reflect the joint administration of the Debtors' Chapter 11 Cases:

An order has been entered in this case directing the procedural consolidation and joint administration of the chapter 11 cases of SD-Charlotte, LLC; SD Restaurant Group, LLC; RTHT Investments, LLC; Southern Deli Holdings, LLC and SD-Missouri, LLC. The docket in Case No. 20-30149 should be consulted for all matters affecting this case.

9. A proposed form of order granting the relief requested in this Motion is attached hereto as **Exhibit "A"** (the "Proposed Order").

Basis for Relief Requested

10. On the date hereof, the Debtors commenced the Chapter 11 Cases by filing the appropriate petitions with this Court. As set forth in the First Day Declaration, there are five Debtors, with numerous creditors and other parties in interest in these Chapter 11 Cases. Joint administration will allow for the efficient and convenient administration of the Debtors' interrelated Chapter 11 Cases, will yield significant cost savings, and will not prejudice the substantive rights of any party in interest.

11. Bankruptcy Rule 1015(b) provides, in relevant part, that if "two or more petitions are pending in the same court by or against . . . a debtor and an affiliate, the court may order a joint administration of the estates." Fed. R. Bankr. P. 1015(b). As set forth in the First Day Declaration, the Debtors in these Chapter 11 Cases are "affiliates" as that term is defined in Section 101(2) of the Bankruptcy Code. Accordingly, this Court is authorized to grant the relief requested herein.

12. The Court has good cause to order joint administration of the Debtors' cases. Joint administration will obviate the need for duplicative notices, motions, applications and orders, and will save considerable time and expense for the Court, the Debtors, the Debtors' estates and other parties in interest. The Debtors are affiliates with integrated assets and operations and

share many of the same creditors. Furthermore, the Debtors' respective cases will involve common pleadings and many of the same issues of law and fact.

13. Joint administration will not adversely affect the Debtors' respective constituencies because this Motion only requests administrative—and not substantive—consolidation of the Debtors' estates. For example, any creditor still may file a claim against a particular Debtor or its estate (or against multiple Debtors and their respective estates) and intercompany claims among the Debtors will not be affected.

14. The Debtors seek joint administration only for procedural purposes and do not seek to consolidate the Debtors' cases substantively. Nothing in the Motion shall be construed as a request for substantive consolidation. The Debtors reserve all rights.

Notice

15. Notice of this Motion has been given to the following parties or, in lieu thereof, to their counsel, if known: (a) the Bankruptcy Administrator; (b) the Debtors' consolidated top thirty (30) largest unsecured creditors as set forth in the list filed with the Debtors' petition; (c) counsel to the Prepetition Secured Lender (d) counsel to the DIP Lender; (e) counsel to the MCA Parties, if known; (f) the Securities and Exchange Commission; (g) the Internal Revenue Service; and (h) any other party entitled to notice pursuant to Rule 9013–1(e) of the Local Rules of the United States Bankruptcy Court for the Western District of North Carolina (the “Local Rules”).

16. Notice of this Motion and any order entered hereon will be served on all parties required by Local Rule 9013–1(e). Based on the urgency of the circumstances surrounding this Motion and the nature of the relief requested herein, the Debtors respectfully submit that no further notice is required.

No Previous Request

17. No previous request for the relief sought herein has been made by the Debtors to this or any other court.

WHEREFORE the Debtors respectfully request entry of the Proposed Order granting the relief requested herein and such other and further relief as the Court may deem just and proper.

Dated: February 7, 2020

MOORE & VAN ALLEN PLLC

/s/ Hillary B. Crabtree

Zachary H. Smith (NC Bar)

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Proposed Counsel to the Debtors and Debtors-In-Possession

Exhibit A
Proposed Order

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE WESTERN DISTRICT OF NORTH CAROLINA**

In re:)	
)	
SD-CHARLOTTE, LLC)	Case No. 20-30149
)	Chapter 11
Debtor.)	
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Tax ID No.: 7237)	

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RTHT INVESTMENTS, LLC)	Case No. 20-30152
)	Chapter 11
Debtor.)	
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SD RESTAURANT GROUP, LLC)	Case No. 20-10046
)	Chapter 11
Debtor.)	
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Tax ID No.: 0331)	

In re:)	
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SD-MISSOURI, LLC)	Case No. 20-30150
)	Chapter 11
Debtor.)	
)	

Tax ID No.: 8294

In re:

SOUTHERN DELI HOLDINGS, LLC

Debtor.

Tax ID No.: 9425

Case No. 20-30151
Chapter 11

ORDER DIRECTING JOINT ADMINISTRATION OF THE DEBTORS' RELATED
CHAPTER 11 CASES PURSUANT TO FED. R. BANKR. P. 1015(b)

Upon the motion, dated February 7, 2020 (the “Motion”)¹ of SD-Charlotte, LLC and its debtor affiliates, as debtors and debtors-in-possession (collectively, the “Debtors”), for entry of an order directing the joint administration of the Debtors’ related chapter 11 cases for procedural purposes pursuant to Rule 1015(b) of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), as more fully set forth in the Motion; and upon consideration of the First Day Declaration and the Court having jurisdiction to consider the Motion and the relief requested therein pursuant to 28 U.S.C. §§ 157 and 1334 and consideration of the Motion and the requested relief being a core proceeding pursuant to 28 U.S.C. § 157(b); and venue being proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409; and due and proper notice of the Motion having been given as provided in the Motion, and such notice having been adequate and appropriate under the circumstances; and it appearing that no other or further notice need be provided; and a hearing having been held to consider the relief requested in the Motion; and the Court having found and determined that the legal and factual bases set forth in the Motion establish just cause for the relief granted herein; and it appearing that the relief requested in the Motion is in the best interests of the

¹ All capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Motion.

Debtors and their respective estates and creditors; and upon all of the proceedings had before the Court and after due deliberation and sufficient cause appearing therefor,

IT IS HEREBY ORDERED THAT:

1. The Motion is granted.
2. The Debtors' Chapter 11 Cases are hereby consolidated for procedural purposes only and shall be jointly administered by the Court.
3. Nothing contained in this Order shall be deemed or construed as directing or otherwise affecting the substantive consolidation of any of the Debtors' Chapter 11 Cases.
4. The caption of the jointly administered cases shall read as follows:

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE WESTERN DISTRICT OF NORTH CAROLINA**

In re:)	
)	
SD-CHARLOTTE, LLC, <i>et al.</i>,¹	)	Case No. 20-30149
	)	Chapter 11 (Jointly Administered)
Debtors.)	
)	
)	
)	

5. A docket entry shall be made in each of the above-captioned Chapter 11 Cases (except the chapter 11 case of SD-Charlotte, LLC) substantially as follows:

An order has been entered in this case directing the procedural consolidation and joint administration of the chapter 11 cases of SD-Charlotte, LLC; SD Restaurant Group, LLC; RTHT Investments, LLC; Southern Deli Holdings and SD-Missouri, LLC. The docket

¹ The Debtors, together with the last four digits of each Debtor's federal tax identification number, are: SD-Charlotte, LLC (7237); RTHT Investments, LLC (2540); SD Restaurant Group, LLC (0331); SD-Missouri, LLC (8294); and Southern Deli Holdings, LLC (9425).

in Case No. 20-30149 should be consulted for all matters affecting this case.

6. The Debtors are authorized to take all steps necessary or appropriate to carry out this Order.

7. This Court shall retain jurisdiction to hear and determine all matters arising from or related to the implementation, interpretation, or enforcement of this Order.

This Order has been signed electronically.
The Judge's signature and Court's seal
appear at the top of this Order.

United States Bankruptcy Court